

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 2627 – HB 2792

February 9, 2010

SUMMARY OF BILL: Extends the period that a permanent disabled parking placard is valid from two years to five years.

ESTIMATED FISCAL IMPACT:

On February 2, 2010, we issued a fiscal note for this bill indicating a *decrease to state revenue of \$279,000, a decrease in state expenditures of \$20,700, and a decrease in local revenue of \$232,500*. On February 5, we received additional information from the Department of Revenue. Based on this new information, the fiscal impact for this bill is estimated as follows:

(CORRECTED)

Other Fiscal Impact - There will be a decrease in state revenue of approximately \$465,000 each year in FY10-11, FY11-12, and FY12-13. This decrease in revenue will continue beginning in FY15-16 and subsequent years at an average of \$279,000 per fiscal year. There will be a decrease in state expenditures of \$34,600 each year in FY10-11, FY11-12, and FY12-13. This decrease in expenditures will continue beginning in FY15-16 and subsequent years at an average of \$20,700 per fiscal year.

Assumptions:

- According to the Department of Revenue approximately 155,000 placards are issued each year.
- There will be no renewals in FY10-11 through FY12-13. Placards that were issued in FY08-09 and FY09-10 will be renewed in FY13-14 and FY14-15. In FY15-16 and subsequent years renewals will be issued to those initially issued placards in FY10-11 and subsequent years. There will be a large volume of renewals in FY18-19 and FY19-20 resulting from the large number of renewals in FY13-14 and FY14-15.
- The precise number of placard renewals each year cannot be reasonably estimated for FY15-16 and subsequent years.
- The state renewal fee for parking placards is \$3.00.
- There will be a decrease in state revenue of approximately \$465,000 each year in FY10-11, through FY12-13 (\$3.00 x 155,000).
- A decrease in state revenue will continue beginning in FY15-16 and subsequent years at an average of \$279,000 per fiscal year, based on an average of 62,000 placard renewals

SB 2627 – HB 2792

annually or a decrease in the number of placard renewals of 93,000 over a five year period ($93,000 \times \$3.00 = \$279,000$).

- The cost to the state of producing a parking placard is approximately \$0.223.
- There would be a decrease in state expenditures of approximately \$34,600 due to the reduction in the number of placards produced ($\$0.223 \times 155,000$) each fiscal year in FY10-11, through FY12-13. This decrease in expenditures will continue beginning in FY15-16 and subsequent years at an average of \$20,700 per fiscal year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/jaw